GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3108
ANSWERED ON:07.12.2007
AGRAHAYANA SAKA INVESTIGATION ON FORMULA ONE CAR RACING
Libra Shri Sukhdev Singh

Will the Minister of FINANCE be pleased to state:

(a) whether formula one car racing event held in London had violated RBI guidelines;

(b) if so, whether Directorate of Enforcement is examining the issue; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

a) M/s United Breweries Ltd., an Indian company, had entered into an agreement with M/s Benetton Formula Ltd., U.K., for display of Kingfisher brand without prior approval of Reserve Bank of India (RBI) and thereby acknowledged a debt of US $ 15 million.

(b & c) On the basis of investigation caused by the Directorate of Enforcement under the provisions of Foreign Exchange Regulation Act, 1973 (FERA), a show cause notice was issued to M/s United Breweries Ltd., Bangalore and its Chairman Shri Vijay Mallya. The case was adjudicated by the Adjudicating Authority and the charges were dropped. The Directorate of Enforcement filed a review petition before the Appellate Tribunal for Foreign Exchange (ATFE), New Delhi, which was dismissed. The Directorate of Enforcement has filed an appeal before the Hon'ble High Court of Delhi against the order of ATFE which is pending. Explore your hobbies and interests. Click here to begin.